

# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Alex Gurza

**SUBJECT:** SEE BELOW

**DATE:** April 19, 2006

Approved

*Ray Wines*

Date

*4/19/06*

**SUBJECT:** AGREEMENT WITH THE INTERNATIONAL UNION OF OPERATING  
ENGINEERS, LOCAL #3 (OE#3)

**COUNCIL DISTRICT:** City-Wide

## RECOMMENDATION

Adoption of a resolution approving the terms of a Memorandum of Agreement with the International Union of Operating Engineers, Local #3 (OE#3), and authorizing the City Manager to execute the agreement, subject to ratification of the OE#3 membership.

## OUTCOME

Adoption of the resolution and authorization to execute the successor Memorandum of Agreement would implement a collective bargaining unit agreement between the City and OE#3, subject to the ratification of the OE#3 membership.

## BACKGROUND

The current contract with OE#3 expired on Friday April 14, 2006. On April 14, 2006, the City and OE#3 reached a tentative agreement on a two-year Agreement, subject to ratification by the OE#3 membership.

## ANALYSIS

Summary of tentative agreement includes:

### **Term**

Two Years

### **Wages**

3.0% general wage increase effective the beginning of the pay period following ratification.

4.0% general wage increase effective 26 pay periods after the increase in the first year.

## **ANALYSIS (cont'd.)**

### **Medical Benefits**

Effective the first pay period of payroll calendar year 2007, increase employees' maximum contribution for the lowest-priced medical insurance plan from \$50.00 to \$75.00 per month.

Effective the first pay period of payroll calendar year 2008, increase employees' maximum contribution for the lowest-priced medical insurance plan from \$75.00 to \$150.00 per month.

### **Part-Time Employees**

Revise part-time employee work schedule for employees who are benefited at 75% from 30-39 hours per week to 30-34 hours per week (or 1560-1768 per year).

### **Vacation Accrual**

Effective the first pay period of payroll calendar year 2007, employees' paychecks will reflect actual accrued vacation and employees can accrue up to two times their annual vacation accrual rate.

### **Personal Leave**

Effective the first pay period of payroll calendar year 2007, full-time employees will receive eight (8) additional hours of personal leave per year for a total of twenty-four (24) personal leave hours per year.

### **Substance Abuse Program**

Revisions and clarification to existing program.

### **Shift Differential**

Redefine eligibility for shift differential and increase shift differential from \$1.40 per hour to \$1.50 per hour, effective in the second year of the Agreement.

### **Crane Operation**

Employees certified by the State of California and required to operate a crane that has a lifting capacity of 56,000 pounds or greater shall be eligible to receive a \$40.00 premium for each biweekly pay period in which the employee performs operation of cranes, effective in the second year of the Agreement.

### **Protective Clothing**

Revisions and clarification of protective footwear language and increase the amount of protective footwear vouchers from \$140.00 to \$150.00, effective in the second year of the Agreement.

### **Bilingual Pay**

Increase bilingual pay from \$21.00 per pay period to \$29.00 per pay period for full time employees and increase bilingual pay from \$14.00 per pay period to \$19.00 per pay period for part-time employees, effective in the second year of the Agreement.

## **PUBLIC OUTREACH**

Not applicable.

### COORDINATION

This memorandum was coordinated with the City Attorney's Office and the City Manager's Budget Office.

### COST IMPLICATIONS

The ongoing increased annual direct cost of this agreement is approximately \$2.19 million in the first year and \$3.01 million in the second year. The indirect costs include the addition of eight (8) hours of personal leave in the second year. The changes to the health care cost-sharing formula will not take effect until January 2007 and January 2008. The actual change to City costs will be based upon the health rates established by the providers for the 2007 and 2008 calendar years, which are not available at this time.



Alex Gurza  
Director of Employee Relations

For questions please contact Alex Gurza, Director of Employee Relations, at (408) 535-8150.